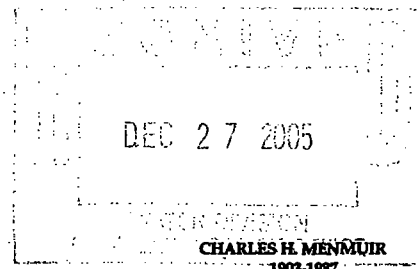




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WRS
G.T. Co**ZIMMERMAN, KUHN, DARLING, BOYD, TAYLOR AND QUANDT, PLC
LAW OFFICES****412 SOUTH UNION STREET
P.O. BOX 987
TRAVERSE CITY, MICHIGAN 49685-0987
TELEPHONE 231-941-5000
FACSIMILE 231-941-5154****JOSEPH J. ZIMMERMAN
R. EDWARD KUHN
A. BROOKS DARLING
JAMES W. BOYD
DENNIS K. TAYLOR
JOSEPH E. QUANDT
ERIC W. PHELPS
JULIE A. HARRISON
GINA A. BOZZER
MICHAEL J. LONG
GREGORY J. DONAHUE
JENNIFER R. BERRY****Lansing Office:
3130 Pine Tree Road
Lansing, MI 48911
Telephone 517-394-1180
Facsimile 517-393-1791****Of Counsel:
LEWIS G. GATCH**

December 22, 2005

VIA FAX - 231/775-1511**Mike Stifler
Environmental Engineer, Water Bureau
Michigan Dept of Environmental Quality
Cadillac District Office
120 W. Chapin Street
Cadillac, MI 49601-2158**JH
COPY**Re: Williamsburg Receiving and Storage, Inc.
Response Activity Status Report****Dear Mike:**

Please be advised of my client's response activity efforts in the latter part of the week of December 19, 2005. On Wednesday, December 21, 2005, and Thursday, December 22, 2005, 10,000 gallons of waste water from the lagoon was removed each day and transported to the Northern A-1 Kalkaska facility. My client expects to continue hauling 10,000 gallons per day until the City of Reed City accepts waste water, which we believe will occur early in the week of December 26, 2005. Representatives of WRS are meeting with City of Reed City Waste Water Treatment Plant to execute agreements to accomplish this endeavor on Friday, December 23, 2005.

We are also advised that the City of Traverse City and Grand Traverse County are still engaged in dialog regarding their acceptance of waste water from WRS and they have indicated to my client that they should expect to have a definitive response sometime in the first week of January. Obviously, this is not as soon as we had hoped, but we recognize that we are not in control of their consideration process. We have asked them to expedite matters to the extent that they can.

With respect to other odor control issues, it is my understanding that containment structures have been completed over the tanks and hydrosieve, so that fugitive odors from waste water can be controlled. It is anticipated that odor control filter equipment will be on site either tomorrow or next

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week to capture and filter fugitive emissions from the sources. As was stated previously, we anticipate being able to purchase more permanent odor control equipment by the end of January. I have been awaiting return of the Letter of Intent from Marathon Petroleum and expect to receive it within the next few days, if not today. When I receive it, I will forward it to you so that you remain aware of our progress in this regard.

With respect to the lagoon spill remediation, I believe you are aware that the excavation activities were completed and verification samples taken and initial restoration activities have been undertaken, as well. My understanding is that Inland Seas Engineering staff have contacted Mr. Eric Hudy of the Land and Water Management Division to coordinate restoration verification. As soon as I have some definitive information related to the conclusion of that process, I will forward same to you.

Finally, in the longer term technical permit issues, we were unable to meet with Water Bureau Permit staff, as we had hoped, today. We have tentatively scheduled a January 4 meeting with Permit staff so that we can discuss the merits of the longer term disposal issues. Once a meeting has been confirmed, I will, of course, contact you and advise you of same.

Of course, if you have any additional questions or comments regarding this information or any other matter related to the facility, please feel free to contact me.

Sincerely,

ZIMMERMAN, KUHN, DARLING,
BOYD, TAYLOR AND QUANDT, PLC



Joseph E. Quandt

Direct Dial: (231)947-7901 x115

jequandt@zimmerman-kuhn.com

JEQ:shp

enclosures

cc: Chris Hubbell
Brian Smith
Barry Selden (via fax)
Janice Heuer
Sy Paulik
Rick Rusz (via fax)
Andy Smits
Ralph Dollhopf
Ken Smith (via fax)